

FILL 'ER UP WITH PRAIRIE GRASS

By Tom Howard

As state director for former Sen. Conrad Burns, Todd Capser spent long hours poring over complicated legislation and responding to constituents.

Capser's career in politics took a dramatic turn a little more than a year ago when Burns failed to gain a fourth term in the United States Senate.

But his new job has much in common with his old one.

Since February, Capser has been director of project development for AE Biofuels, a two-year-old company aiming for major breakthroughs in the alternative fuels industry.

Capser describes his new position as a dream job because he works in a field in which he can make a difference while still living in Montana.

A cell phone and a laptop keep him well connected to the rest of the world.



Todd Capser, director of project development with AE Biofuels, shows a container of biodiesel fuel made from renewable feed stock. James Woodcock / The Billings Gazette

"After the election, I had talked to some people who wanted me to come to work," Capser said. "There were a few wonderful offers, but it would mean moving to Texas, Mississippi or Washington, D.C." Significant role During a recent interview in his office in downtown Billings, Capser was optimistic that Montana-grown crops and technology developed within the Big Sky State will play a significant role in the quest to develop new forms of clean, renewable energy.

These days, Capser is spending a lot of time studying the 2007 Energy Bill and the 2007 Farm Bill. Both pieces of legislation will affect how the nation develops renewable fuels.

Needless to say, Capser probably would have spent a lot of time studying both bills anyway if Burns had been re-elected.

Capser said AE Biofuels is developing a pilot plant in Butte that could pave the way for the next generation of ethanol plants.

The facility will test a process for converting a wide range of plant materials — small grains, grass and even wood chips — into ethanol, which boosts octane when added to gasoline.

Most of the ethanol now produced in the United States comes from corn.

Because it's located outside the Corn Belt, Montana has never made a splash in the ethanol industry, even though the state Legislature tried to jump-start a home-grown ethanol industry with a package of financial incentives.

Montana experts "We're thinking of (the Butte plant) as a research and development facility — taking technology that exists and refining it so it can be commercialized," said Andy Foster, chief operating officer of AE Biofuels.

Foster wouldn't comment on the cost or the size of the Butte facility. He said the technology has been developed by experts in Montana, but wouldn't say by whom.

Some believe that developing ethanol from cellulose holds promise for the renewable fuels industry because it uses low-value materials instead of corn or other starchy grains. But so far the technology hasn't been proven on a commercial scale.

AE Biofuels, founded in 2005, was formerly known as American Ethanol.

Earlier this year the company filed information with the Securities and Exchange Commission announcing that it plans to become a publicly traded company by merging with a firm known as Marwich II Ltd.

Foster said AE Biofuels hopes to become a major player in ethanol and biodiesel production through vertical integration. That means it controls each step in a process by acquiring the feed stocks, processing the fuel and marketing and distributing the products.

AE Biofuels owns 74 percent of a plant in India that is designed to produce 50 million gallons of biodiesel per year.

The fuel is produced from palm oil, but AE Biofuels also hopes to use oil crops that are grown in more temperate climates, Foster said.

AE Biofuels also has permits for developing five 115 million gallon-per-year ethanol plants in Illinois.

A sixth ethanol plant has been permitted in Nebraska, and the seventh plant, also to be located in Nebraska, is in the permitting process, according to the company's Web site.

Based in Cupertino, Calif., AE Biofuels hopes to become established during a time

when solar power, wind energy alternative fuels and other green technologies are gaining serious interest from investors in Silicon Valley.

Sharing a vision “There is a lot of interest in green technology from venture capitalists,” Foster said.

“But the smart thing for us is to make sure we work with people who have the same goals we do. We want to make sure that potential investors share our vision.” Foster said Capser has been valuable because he knows his way around Washington, D.C. and can open doors in Montana.

“In a startup company, everybody has to do everything, from the high-minded tasks to the bottle washing,” Foster said. “Todd is certainly involved with federal and state policy initiatives, and he’s also doing project management.” Capser said he values his time working for Burns and they still remain in contact.

“Oh, my gosh, it was one of the most exciting times of my career,” Capser said. “He’s a father figure to me.” — Tom Howard writes for The Billings Gazette